

IN THE CHANCERY COURT OF LEWIS COUNTY  
AT HOHENWALD, TENNESSEE

IN RE: SENTINEL TRUST COMPANY )  
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Case No. 4781

FILED  
AT 10:20 O'CLOCK A.M.

DEC 20 2006

JANEY WILLIAMS, CLERK & MASTER  
BY *Selena Way*

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ORDER OVERRULING OBJECTION BY RELIANCE HEALTH CARE  
MANAGEMENT, INC. REGARDING MOTION SEEKING APPROVAL OF THE  
SCHEDULE OF CLAIM DETERMINATIONS

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On January 31, 2006, the Commissioner-in-Possession and the Sentinel Trust Receiver filed a Notice of Filing of Schedule of Claim Determinations and Motion Seeking Approval of the Schedule of Claim Determinations and Approval of the Methodology Proposed to Calculate Distributions On Accepted Claims ("Motion Seeking Approval"). On February 20, 2006, Reliance Health Care Management, Inc. ("Reliance") filed an Objection to the Motion Seeking Approval. On March 27, 2006, the Acting Commissioner and Receiver filed their Reply to Reliance's Objection to the Motion Seeking Approval. This matter came before the Court for hearing on April 12, 2006. At the April 12, 2006 hearing, the Court requested further briefing from the parties on the issue of the scope of authority Reliance had pursuant to Texas state court receivership orders, which appointed Reliance as a receiver in a Texas state court receivership, and whether that authority extended to Reliance's pursuit, in this Receivership proceeding, of claims lodged by the Texas state court receivership claimants. On May 12, 2006, Reliance filed its supplemental brief, and the Acting Commissioner and Receiver mailed for filing their supplemental brief on that issue. Further hearing on this matter occurred on August 8, 2006.

The Court has considered the Motion Seeking Approval, the Objection, the Reply, the supplemental briefs, the record in this action and argument of counsel presented. Reliance has pursued claims on behalf of claimants that have filed their separate claims, and, thus, those efforts by Reliance are duplicative. Reliance has also pursued claims on behalf of individuals and entities that were notified of their ability to file a claim in this Receivership, but who chose not to do so. Moreover, the Texas state court receivership orders, which appointed Reliance, do not expressly authorize Reliance to claim derivatively, in this Receivership proceeding, on behalf of claimants who, themselves, chose not to pursue their claims. Accordingly, Reliance's attempt to claim derivatively on behalf of claimants in other receivership proceedings will not be allowed in this Receivership, particularly given that those claimants were given the opportunity to claim in this Receivership proceeding. Therefore, the Court overrules Reliance's Objection to the Motion Seeking Approval.

In conjunction with the entry of this Order, the Court will enter a separate order directly addressing the Commissioner-in-Possession's and Receiver's Motion Seeking Approval of the Schedule of Claim Determinations. That separate order will be certified as final, pursuant to Rule 54.02 Tenn.R.Civ.P. in order to provide certainty as to the Schedule of Claim Determinations and the distribution calculation methodology. Thus, and for the same reason and to make this Order parallel to the Court's separate order, the Court finds that there is no reason or just cause for delay and directs that this Order be entered by the Clerk and Master as a final appealable order on the matters addressed herein. Rule 54.02 Tenn.R.Civ.P.

It is so ORDERED, this the 19<sup>th</sup> <sup>December</sup> ~~day of August~~, 2006.

  
Hon. Jerry Scott  
Sitting by Appointment

JERRY SCOTT  
SENIOR JUDGE  
Sitting by designation  
pursuant to Tenn Code  
Ann SEC. 17-2-304

Submitted for Approval

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### CERTIFICATE OF SERVICE

This is to certify that on August 8<sup>th</sup>, 2006 a copy of the foregoing Order has been sent by First Class U.S. Mail, postage paid, and also by facsimile transmission as noted, to:

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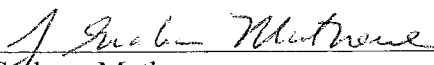
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